

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

THE VERANDAS ON QUEEN ANNE  
CONDOMINIUM OWNERS ASSOCIATION, a  
Washington Non-Profit Corporation,

Plaintiff,

v.

ALLIED INSURANCE COMPANY OF  
AMERICA, an Ohio Corporation; ALLIED  
PROPERTY AND CASUALTY INSURANCE  
COMPANY, an Iowa Corporation; AMCO  
INSURANCE COMPANY, an Iowa Corporation;  
DEPOSITORS INSURANCE COMPANY, an  
Iowa Corporation; NATIONWIDE MUTUAL  
INSURANCE COMPANY, an Ohio Corporation;  
and DOE INSURANCE COMPANIES 1-10,

Defendants.

NO.

COMPLAINT FOR DECLARATORY RELIEF  
AND MONETARY DAMAGES

JURY DEMAND

Plaintiff The Verandas on Queen Anne Condominium Owners Association (the  
“Association”) alleges as follows:

**I. INTRODUCTION**

1.1 This is an action for declaratory judgment and monetary damages, seeking:

(A) A declaration of the rights, duties, and liabilities of the parties with respect to  
certain controverted issues under insurance policies issued to the Association, respectively, by  
Allied Insurance Company of America, Allied Property and Casualty Insurance Company, AMCO  
Insurance Company, Depositors Insurance Company, Allied Mutual Insurance Company, and

Nationwide Mutual Insurance Company (collectively “Nationwide”). The Association is seeking a ruling that the Nationwide policies provide coverage for the damage at the Verandas Condominium and that the above listed insurers are liable for money damages for the cost of investigating and repairing the damage at the Verandas Condominium.

(B) Attorneys’ fees (including expert witness fees) and costs.

(C) Any other relief the Court deems just and equitable.

## II. PARTIES AND INSURANCE CONTRACTS

2.1 The Association. The Association is a nonprofit corporation organized under the laws of the state of Washington with its principal place of business located in Seattle, Washington. The Association is organized under the laws of the State of Washington. The Association has the duty to maintain the common elements and any limited common elements of the Verandas Condominium for the common enjoyment of the unit owners. The Verandas Condominium consists of three buildings with eighteen (18) residential units located Seattle, King County, Washington.

2.2 Allied Insurance Company of America. Allied Insurance Company of America is an Ohio domiciled insurer with its principal place of business in Columbus, Ohio. On information and belief Allied Insurance Company of America sold property insurance policies to the Association. The Association is seeking coverage under all Allied Insurance Company of America policies issued to the Association or covering the Verandas Condominium at any time.

2.3 Allied Property and Casualty Insurance Company. Allied Property and Casualty Insurance Company is an Iowa domiciled insurer with its principal place of business in Des Moines, Iowa. On information and belief Allied Property and Casualty Insurance Company sold property insurance policies to the Association. The Association is seeking coverage under all Allied Property and Casualty Insurance Company policies issued to the Association or covering the Verandas Condominium at any time.

2.4 AMCO Insurance Company. AMCO Insurance Company is an Iowa domiciled insurer with its principal place of business in Des Moines, Iowa. On information and belief AMCO

Insurance Company sold property insurance policies to the Association. The Association is seeking coverage under all AMCO Insurance Company policies issued to the Association or covering the Verandas Condominium at any time.

2.5 Depositors Insurance Company. Depositors Insurance Company is an Iowa domiciled insurer with its principal place of business in Des Moines, Iowa. On information and belief Depositors Insurance Company sold property insurance policies to the Association. The Association is seeking coverage under all Depositors Insurance Company policies issued to the Association or covering the Verandas Condominium at any time.

2.6 Allied Mutual Insurance Company and Nationwide Mutual Insurance Company. On information and belief Allied Mutual Insurance Company sold property insurance policies to the Association. Effective October 1, 1998, Allied Mutual Insurance Company was merged with and into Nationwide Mutual Insurance Company. Nationwide Mutual Insurance Company is the successor by merger to Allied Mutual Insurance Company. Nationwide Mutual Insurance Company is liable for all policies issued by Allied Mutual Insurance Company. Nationwide Mutual Insurance Company is an Ohio domiciled insurer with its principal place of business in Columbus, Ohio. On information and belief, Nationwide Mutual Insurance Company also sold property insurance policies to the Association. The Association is seeking coverage under all Allied Mutual Insurance Company and Nationwide Mutual Insurance Company policies issued to the Association or covering the Verandas Condominium at any time.

2.7 Nationwide. On information and belief, Allied Insurance Company of America, Allied Property and Casualty Insurance Company, AMCO Insurance Company, Depositors Insurance Company, Allied Mutual Insurance Company, and Nationwide Mutual Insurance Company (collectively defined above as “Nationwide”) sold and issued property policies to the Association including, but not limited to, Policy No. ACPBPH3027296234 (in effect from at least 6/30/1999 to 6/30/2000). The Association is seeking coverage under all Nationwide policies issued to the Association or covering the Verandas Condominium at any time.

1 2.8 Doe Insurance Companies 1-10. Doe Insurance Companies 1-10 are currently unidentified  
2 entities who, on information and belief, sold insurance policies to the Association that identify the  
3 Verandas Condominium as covered property.

4 2.9 Verandas Insurers. Nationwide and Doe Insurance Companies 1-10 shall be collectively  
5 referred to as the “Verandas Insurers.”

6 2.10 Verandas Policies. The policies issued to the Association by the Verandas Insurers shall be  
7 collectively referred to as the “Verandas Policies.”

8 **III. JURISDICTION AND VENUE**

9 3.1 This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332  
10 (diversity jurisdiction) as the parties are completely diverse in citizenship and the amount in  
11 controversy exceeds \$75,000.

12 3.2 Venue is proper in this district pursuant to 28 U.S.C. § 1391(b)(2) as the Verandas Insurers  
13 marketed and sold insurance to the Association in King County; a substantial part of the events  
14 giving rise to the claim, including the breach of contract, occurred in King County; and the  
15 insured condominium building is located in King County.

16 **IV. FACTS**

17 4.1 Incorporation by Reference. The Association re-alleges the allegations of paragraphs 1.1  
18 through 3.2, above, as if fully set forth herein.

19 4.2 Tender to Verandas Insurers. In December 2022, the Association tendered claims for  
20 insurance coverage to the Verandas Insurers for hidden damage recently discovered by Evolution  
21 Architecture (“Evolution”). The Association offered to enter into tolling agreements with the  
22 Verandas Insurers. To date, none of the Verandas Insurers have executed tolling agreements or  
23 investigated the Association’s claim. The Association understands from Evolution that the cost to  
24 repair the covered hidden water damage at the Verandas Condominium is substantially over the  
25 jurisdictional limit of \$75,000.

**V. FIRST CLAIM AGAINST THE VERANDAS INSURERS FOR  
DECLARATORY RELIEF THAT THE VERANDAS POLICIES PROVIDE COVERAGE**

5.1 Incorporation by Reference. The Association re-alleges and incorporates by reference the allegations of paragraphs 1.1 through 4.2, above, as if fully set forth herein.

5.2 Declaratory Relief. The Association seeks declaratory relief from the Court in the form of determinations regarding the following disputed issues that:

(A) The Verandas Policies cover the damage to weather-resistive barrier, exterior sheathing, and framing at the Verandas Condominium.

(B) No exclusions, conditions, or limitations bar coverage under the Verandas Policies.

(C) The loss or damage to the Verandas Condominium was incremental and progressive. New damage commenced during each year of the Verandas Policies.

(D) As a result, the Verandas Policies cover the cost of investigating and repairing the weather-resistive barrier, exterior sheathing, and framing at the Verandas Condominium.

**VI. PRAYER FOR RELIEF**

WHEREFORE, the Association prays for judgment as follows:

6.1 Declaratory Judgment Regarding Coverage. A declaratory judgment that the Verandas Policies provide coverage as described herein and that the Verandas Insurers are obligated to pay money damages to repair the hidden damage at the Verandas Condominium.

6.2 Money Damages. For money damages in an amount to be proven at trial.

6.3 Attorneys' Fees and Costs of Suit. For reasonable attorneys' fees (including expert fees) and costs. *See Olympic Steamship Co. v. Centennial Ins. Co.*, 117 Wn.2d 37, 811 P.2d 673 (1991), and RCW 48.30.015.

6.4 Other Relief. For such other and further relief as the Court deems just and equitable.

**VII. DEMAND FOR JURY TRIAL**

7.1 Pursuant to Rule 38 of the Federal Rules of Civil Procedure, the Association demands trial by jury in this action of all issues so triable.

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1 DATED this 4th day of January, 2023.

2 **STEIN, SUDWEEKS & STEIN, PLLC**

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4 /s/ Justin D. Sudweeks

5 /s/ Daniel J. Stein

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